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FOR IMMEDIATE RELEASE

**UNEMPLOYMENT BENEFITS ARE TAXABLE**  
**State of Michigan mails out jobless benefit statements for 2005**

**JANUARY 19, 2006** – Tax season has arrived, and the state of Michigan has already begun mailing out year-end statements to anyone who received unemployment benefits in 2005.

“Unemployment benefits are taxable, and those who received benefits will need these statements to prepare their 2005 state and federal tax returns,” Sharon Bommarito, director of Michigan’s Unemployment Insurance Agency (UIA), explained.

The statements, called 1099-G or “Statement for Recipients of Unemployment Compensation Payments,” report how much individuals received in unemployment benefits last year. The annual statements are prepared by the UIA.

“We began the process of mailing 547,376 1099-G forms on January 12,” Bommarito said, “and we’ll complete the mailing by Tuesday, January 31.”

Starting on Wednesday, February 1, those with questions about their 1099-G or who do not receive the statement can telephone UIA or visit an agency Problem Resolution Office (PRO) for help.

“Customer service representatives staffing our telephone filed claims line, our Customer Relations hotline and our PROs will have the information they need by February 1<sup>st</sup> to help those with questions about their 1099 statements,” Bommarito said.

The toll-free telephone numbers are:

- Telephone filed claims: **1-866-500-0017**, select the “**inquiry**” option – staffed 8:00 a.m. to 4:30 p.m., M-F
- Customer Relations hotline: **1-800-638-3995** – staffed 7:00 a.m. to 7:00 p.m., M-F

UIA Problem Resolution Offices are located in **Gaylord**, 400 W. Main St.; **Grand Rapids**, 3391 Plainfield Ave., NE; **Lansing**, 5015 S. Cedar St.; **Livonia**, 33523 West 8

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Mile Rd.; **Marquette**, 2833 US 41 West; and **Saginaw**, 614 Johnson St. The offices are open weekdays from 8:00 a.m. to 3:00 p.m.

One frequent question about the 1099-G statement concerns the amount of compensation it reports.

“The total compensation figure on the statement includes not only the amount of benefits paid but also any restitution or court ordered deductions, such as Friend of the Court payments,” Bommarito explained. “Because of these required deductions, jobless workers may have actually received less than what is reported on the 1099-G. We advise those with these types of deductions to consult with the Internal Revenue Service (IRS) to learn how these deductions affect their taxes and for instructions about reporting them.”

If workers chose to have state and federal income taxes deducted from their unemployment benefits in 2005, the 1099-G also reports the amount of taxes withheld.

Bommarito noted that the agency is also required to send the 1099-G information to the IRS and the Michigan Department of Treasury.

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*Unemployment Insurance Agency news releases are available at the agency's website ([www.michigan.gov/uia](http://www.michigan.gov/uia))*